

from the delay, while the accumulation of interest is becoming more and more burdensome. The public creditors have shown the utmost patience in waiting for such return to prosperity as will enable the State to resume the payment of interest. I venture to repeat the recommendation which I made twelve months ago, that a Commission be appointed to confer with the creditors and make terms of adjustment. It cannot be disguised that the question is one of great difficulty. Any action by the General Assembly which would not meet the approval of the people of the State would be unadvisable, because such action would, in a short while, be reversed. But a fair settlement which the people would concur in, would be a great public benefit, worthy of the most earnest attention of the General Assembly.

It cannot be denied that the people are at least at present opposed to paying large taxes. While some counties and towns have a fair measure of prosperity, many others are still in a state of great depression. A large tax would amount to the confiscation of the lands and other property of the tax payers.

I am reluctantly brought to the conclusion, after an extended intermingling with the people during the past Summer, that the public creditors will do well to consent to liberal terms of compromise, both of the old debt and the new.

Such have been the losses of our people, such the derangement of the labor question, that nearly all private creditors have been glad to accept less than their obligations called for. Few have demanded principal and interest in full. Still fewer have obtained payment if demanded.

The people claim that the public creditor should abate something of his demands in a proportion to approximate at least the destruction of the property of the State. Not only have the citizens been largely deprived of their means of paying taxes, but generally the stocks subscribed for by the State and for which the public debt was incurred, (with the exception of the stock in the North Carolina Railroad